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CONGRESSMAN ROBERT W. NEY AGREES TO PLEAD GUILTY TO CHARGES INVOLVING CORRUPTION AND FALSE STATEMENTS

WASHINGTON – Congressman Robert W. Ney has agreed to plead guilty to a two-count criminal information charging him with conspiracy to commit multiple offenses—including honest services fraud, making false statements, and violations of his former chief of staff's one-year lobbying ban—and with making false statements to the U.S. House of Representatives, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The government filed the information today in U.S. District Court for the District of Columbia, along with an agreement signed by Ney to plead guilty to the two charges. Ney, 52, will appear before Judge Ellen Segal Huvelle on Oct. 13, 2006 at 10 a.m. to enter his plea. Based on the filed charges, Ney faces a maximum sentence of ten years in prison, a fine of \$500,000, and supervised release following his incarceration. The plea agreement with the government includes a recommendation of a sentencing guidelines sentence of 27 months in prison.

Ney's named co-conspirators in the information include former lobbyist Jack Abramoff, former public relations specialist Michael Scanlon, former lobbyist Tony Rudy, and Ney's former chief of staff, Neil Volz. All have previously pleaded guilty in this investigation and are cooperating with law enforcement officials.

"Congressman Ney and his co-conspirators engaged in a long-term pattern of defrauding the public of his unbiased, honest services as an elected official. Congressman Ney admits that he corruptly solicited and accepted a stream of benefits, valued at tens of thousands of dollars, in exchange for agreeing to perform, and performing, a series of official acts. He also admitted deceiving the public and the U.S. House of Representatives about his actions. In doing so, the Congressman was acting in his own best interests, and not in the best interests of his constituents," said Assistant Attorney General Fisher. "People must have faith in their elected representatives. The Department of Justice will enforce the laws that protect the integrity of our government."

According to the information, Ney was a Congressman representing the 18th District of Ohio from 1995 through the present. In 2001, Ney became chairman of the House Committee on Administration, a position he held until January 2006. According to the information, Ney engaged in a conspiracy beginning in approximately 2000 and continuing through April 2004,

wherein he corruptly solicited and accepted a stream of things of value from Abramoff, his lobbyists, and a foreign businessman in exchange for repeatedly agreeing to take and taking official action to benefit Abramoff, his clients, and the businessman.

Ney admitted in his signed agreement that he corruptly solicited and accepted the following things of value among others from Abramoff and his lobbyists, all with the intent to be influenced and induced to take official action:

- international and domestic trips including a trip to play golf in Scotland in August 2002, with total trip costs exceeding \$160,000, paid for by Abramoff and his clients; a trip to gamble and vacation in New Orleans in May 2003, with total trip costs of approximately \$7,200, paid for by Abramoff and his clients; and a trip to vacation at Lake George, N.Y., in August 2003, with costs paid by lobbyists exceeding \$3,500;
- frequent meals and drinks with total costs exceeding many thousands of dollars, primarily at Abramoff's restaurant, Signatures, in Washington;
- tickets to concerts and sporting events using Abramoff's box suites at venues in the Washington and Baltimore areas, such as the MCI Center (now known as the Verizon Center), FedEx Field, and Camden Yards;
- tens of thousands of dollars of campaign contributions; and
- in-kind campaign contributions in the form of free fundraisers.

Ney admitted that during the same time period, and in exchange for the stream of things of value he received from Abramoff and his lobbyists, Ney agreed to take and took the following actions:

- supporting and/or opposing legislation at Abramoff's request, including attempting to insert four separate, non election-related amendments sought by Abramoff and his clients into election reform legislation known as the Help America Vote Act;
- inserting two statements into the Congressional Record at Scanlon's request;
- supporting the application of and issuing a license to one of Abramoff's clients involving a multi-million-dollar contract to install wireless telephone infrastructure in the House of Representatives; and
- contacting personnel in federal agencies in an effort to influence the decisions of those agencies, including telling the Secretary of Housing and Urban Development that Ney's number one priority was Native American Indian Tribal housing because that was an issue important to Abramoff's clients.

In his plea agreement, Ney also admitted to charges that he had accepted thousands of dollars worth of gambling chips from a foreign businessman. According to the documents filed

today in court, in February 2003 and again in August 2003, Ney made two trips to London, during each of which he and members of his staff met with a foreign businessman who was hoping to sell U.S.-made airplanes and airplane parts in a foreign country. Ney agreed to help the businessman with obtaining an exemption to the U.S. laws prohibiting the sale of these goods to the foreign country, and Ney also agreed to help the businessman obtain a visa to travel to the United States. On February 21 and 22 and again on August 29, Ney and the staff members accompanying him each received thousands of dollars worth of gambling chips from the businessman for use at private casinos in London. As a result, Ney eventually pocketed more than \$50,000. Ney admitted that he never returned any of the free chips to the businessman and never shared with the businessman any of the money he had won as a result of the free chips.

Ney also admitted in the plea documents that he intentionally concealed his receipt of the things of value from Abramoff and the foreign businessman, which was in excess of the limits established by the House of Representatives. Ney's concealment involved, among other things, filing a false U.S. Customs disclosure form, false Travel Disclosure Forms, and false Annual Financial Disclosure Statements. As part of his efforts to conceal the full amount of money he received from the businessman, Ney admitted that on his return to the United States from London in August 2003, he gave a staff member approximately \$5,000 worth of British pounds so that the staffer could carry that amount through the U.S. Customs Service checkpoint and Ney could carry and report a lower dollar amount to Customs officials. Ney admitted to the second count of the criminal information, which charges that he intentionally omitted from his 2002 and 2003 Annual Financial Disclosure Statements gifts from Abramoff and the foreign businessman, including trips from Abramoff and thousands of dollars from the businessman. Ney also admitted that he mischaracterized the Scotland golf trip in his 2002 Annual Financial Disclosure Statement because he underreported the costs and mischaracterized the trip's purpose.

Ney also admitted that he conspired to aid and abet violations of the federal one-year lobbying ban by Volz, his former chief of staff, in that he allowed and encouraged Volz to lobby Ney, the staff in Ney's personal office, and the staff on the House Administration Committee. Ney admitted to knowing that Volz was prohibited from doing so for a period of one year following Volz's resignation from Ney's office.

This case is being prosecuted by Trial Attorneys Mary K. Butler, M. Kendall Day, and James A. Crowell IV of the Public Integrity Section. The prosecution has received substantial assistance from the Fraud Section, as well as the U.S. Attorney's Office for the Southern District of Florida. The case is being investigated by a task force of federal agents including Special Agents of the Federal Bureau of Investigation, the Department of the Interior Office of the Inspector General, the General Services Administration Office of the Inspector General, the Criminal Investigation branch of the Internal Revenue Service, and prosecutors in the Public Integrity, Fraud, and Criminal Tax Sections of the Department of Justice.

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